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USDOC FOR 4212/ITA/MAC/CPD/CRUSNAK  
EEB FOR A/S SULLIVAN  
EUR FOR DAS BRYZA  
SCA FOR MANN  
DOE FOR HEGBURG  
USTDA FOR DAN STEIN

E.O. 12958: DECL: 08/27/2017  
TAGS: [AJ](#) [ENRG](#) [EPET](#) [IR](#) [IZ](#) [KZ](#) [RS](#) [TU](#)  
SUBJECT: TURKEY DECLARES CYPRIOT TENDERS FOR OIL  
EXPLORATION ILLEGAL

REF: A. ANKARA 474  
[1](#)B. NICOSIA 675

Classified By: A/DCM Dan Sreebny for reasons 1.4(b) and (d)

[1](#)1. (U) We met this week with the TPAO (Turkish Petroleum Corporation) Acting General Director Mehmet Uyusal, MFA Acting Deputy Director General for Cyprus Huseyin Muftaoglu, Maritime Department Head Mehmet Poroy, and Norwegian Charge Stian Christensen to discuss the recent Cypriot announcement of bid results for oil and gas exploration licenses in the Mediterranean Sea. GOT officials stated that they believe the Government of Cyprus' tender offer for oil and gas exploration of the Mediterranean Sea was illegal. The Turks believe that the 2004 Egypt-Cyprus agreement demarcating the sea between those two countries was also illegal because Turkey was not consulted. The MFA said the GOT has lodged a complaint bilaterally and also with the UN. Poroy said "by offering this tender, the Greek Cypriots have started an unwelcome delimitation race" of the Mediterranean. Muftaoglu conveyed the GOT view that the GOC approach on oil exploration is yet another example of Cyprus' ongoing effort to bring political pressure against Turkey. He said the Greek Cypriots' policy is to portray the GOT as the obstinate party and regional bully on a number of issues.

[1](#)2. (C) Ideally, the Turks would like to halt the current tender process and discontinue exploration until the following are completed: (1) a comprehensive settlement on Cyprus is reached, and (2) a conference of all Mediterranean littoral states is called and delimitation of the sea is agreed. With strong emotion in his voice, Poroy added that Turks have "rights of jurisdiction in the sea" and "(we) will never give them up." To demonstrate their determination to lay a claim to Mediterranean sea-bed resources, we learned from TPAO that Turkey has claimed an exploration block that overlaps slightly with one of the blocks being tendered by Cyprus. The GOT has given TPAO a license to begin exploration in this block, along with three neighboring blocks that are not in dispute. TPAO will send a seismic vessel to do research on all four blocks in mid-November and the results should be available by December. We understand

that the bids received by the GOC on August 16 did not include the disputed block. Commenting on the lack of bids received by the GOC for exploration in the Med, TPAO confidently said "there is no potential for oil in southern Cyprus waters," although there could be gas.

13. (C) From press reports and ref B, we understand that U.S. firm Noble Energy and a consortium of Norwegian, UAE and British firms entered bids for 3 of the 11 blocks offered by the Cypriot government. We spoke with the Norwegian Charge Stian Christensen who was surprised to hear the Norwegian firm DNO had participated in the tender. According to Christensen, DNO is active in the oil sector in Northern Iraq, including cross border fuel deliveries into Turkey. Believing that its operations might lie in harm,s way if Turkey decided to launch a cross-border attack on the PKK, DNO had contacted the Norwegian Embassy for assistance in communicating its activities to the GOT. Christensen commented that investing in oil and gas exploration blocks disputed by the GOT was not the best way to get on the GOT's good side. He said Norwegian state oil company Statoil had decided not to bid on the Cyprus tenders because it is a stakeholder in the Shah Deniz gas field.

14. (SBU) Comment: Any issue related to the status of Cyprus continues to be highly sensitive for the GOT. Even though it was only a restatement of existing US policy, the recent USG statement that the "GOC is a sovereign nation with the right to request bids for oil exploration" upset the Turks and overshadowed the more welcome US message supporting a comprehensive settlement in Cyprus. Underlying this frustration is the Turkish conviction that the discovery of oil or gas off the southwest coast of Cyprus will make reunification even more difficult. End comment.

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